

DOMINION RETAIL, INC.
COMMENTS ON VARIOUS PARTIES' RESPONSES TO
INITIAL REQUEST FOR COMMENTS
Office of Retail Market Development
Illinois Commerce Commission

Dominion Retail reserves the right to provide
additional comments as this proceeding unfolds.

SECTION I

I 3. What are important characteristics of such programs?

MidAmerican

Enrollment forms, including new enrollment cards, should be standardized across all ARES.

Dominion Retail agrees with this response as it concerns Referral Discount Programs offered through the Utilities. RESs making other offers should not be required to adhere to such a requirement.

I 4. Would you prefer these programs to be administered by an electric utility or the State? Please describe your preferred administration of these programs as detailed as possible.

U S Energy Savings

Customer choice and referral programs should be administered by the State of Illinois or through a contract between the State and an independent third party. Illinois electric utilities may exhibit little or no interest in designing and implementing programs and may not have the expertise necessary to design and implement successful programs...

Further, 83 Ill. Adm. Code Part 452.240(a), which applies to Integrated Distribution Companies such as ComEd and Ameren, states, "An Integrated Distribution Company shall not promote, advertise or market with regard to the offering or provision of *any* retail electric supply service." (emphasis added)...

Dominion Retail reiterates its original opinion on this matter.

It is Dominion Retail's experience that the utility is in the best position to administer these types of programs for the following reasons.

Minimizing the number of different contact points will minimize the elapsed time/frustration level for most customers.

The utility will usually already have the 'other' needed information in its systems.

This will also serve as a single point of contact for new/changed service requests, as is today. The utility is also a 'known' and 'trusted' resource to the customer.

Entry of a third party to this program will only result in problems and possibly cause it to fail, increase processing costs, increase utility and RES resource usage to correct problems (data and calls) and adds no real tangible benefits.

No other successful program uses a party other than a utility (or utility contractor) as program administrator.

Minimum contact points are preferable to customers.

Dominion Retail views a utility's presentation of a Referral Program to customers as a purely public-minded, educational exercise on the part of the utility. In this role, the utility is not performing a "promoting, advertising or marketing" function that runs afoul of the Code section referenced above.

II 1. With respect to the desirability of three suggested legislative programs described in SB 1299:

Commonwealth Edison

Phone referrals (new or existing customers):...

Dominion Retail - Although Commonwealth Edison has not yet had the opportunity to prepare draft referral program tariff language, Dominion Retail points to the referral programs in New York as the base model it should follow. Ameren appears to be modeling its referral program(s) in this manner and it would be beneficial to the consumers, utilities, the Commission and the RESs if the electric referral programs for each Illinois utility operated the same for consumer education and administration purposes.

II 2. Are there other retail choice and/or referral programs that you would like the Commission to consider?

U S Energy Savings and Direct

Both of these companies referred to the low income / energy assistance customers.

Dominion Retail wants to support / emphasize the importance of the continued application of energy assistance payments to those low-income eligible customers when they are supplied by a RES. For efficiency, these programs should be administered by the utilities and all applicable adjustments should be made (for UCB/POR) on the utilities' bills, applying such to both the distribution and purchased supplier charges.

III 1. Please describe your preferred cost recovery mechanism in detail.

Constellation and Direct

Dominion Retail supports the comments of these companies and believes that the RES should be responsible for reasonable POR related and Referral Program related costs. If these costs are prohibitive to RES entry into the market then other methods of cost recovery will need to be explored.

SECTION II

- I 4. Aside from any potential financial responsibilities, please also describe the preferred involvement of electric utilities, alternative retail electric suppliers, and others.

U S Energy Savings

Sections 16-117(g)(1-3) and Section 16-117(j) of the Act clearly delineate the responsibilities of electric utilities and ARES with regard to customer education. In particular, ARES are required to provide approved customer education materials to a customer prior to executing any contracts or agreements with the customer for electric supply and upon request by a customer. However, Section 16-117(j) states,

“In no event shall any electric utility, alternative retail electric supplier or customer be liable for the costs of printing customer education program material in accordance with [Section 16-117]. The obligations associated with this consumer education program shall not exceed the amounts appropriated for this program pursuant to [Section 16-117].”

Dominion Retail would like to point out additionally that there may an opportunity to streamline the process mentioned above regarding the distribution of educational materials before executing any contracts.

Customer education should take place well before customers are solicited. If that educational process is conducted by the utilities in a manner by which the agreed upon materials (referenced above) are distributed to eligible customers in advance of major marketing efforts, then all eligible customers will already have the materials required by the above reference well before receiving solicitations.

It seems more efficient to distribute the educational materials to all customers rather than only those contacted by a RES. Of course, content, the method of distribution (once or in sections over time), the handling of new utility customers, costs, and other relevant matters could be discussed in a collaborative setting.

6. The Office of Retail Market Development is interested in creating an online place for consumers to compare offers of electric suppliers.

U S Energy Savings

The information included on a “Power To Choose” site should be driven by the individual characteristics of the product. The ORMD should avoid trying to explicitly define required information for products that are posted on the site. Defining the type of information that should be included on the site could potentially create customer confusion, prevent ARES from adequately disclosing the prices, terms and conditions of new and innovative products, steer the design of competitive products, limit the number of offerings, and stunt the development of a competitive electricity market in Illinois. The New York Power To Choose website allows suppliers to provide their own explanation of the products offered on the site. This type of flexibility is important and should be expanded upon. Suppliers should be permitted to include their own descriptions of products posted on the Power To Choose website as long as those descriptions comply with applicable rules and laws.

Dominion Retail – Although we responded that we prefer to use the Public Utility Commission of Ohio Apples to Apples web site model for posting offers, we also would agree with U S Energy Savings that the New York Power To Choose Website is also a viable model. We also agree that participation should be optional.

- II 1. If the Commission were to adopt such a uniform disclosure form, what specific items should be on the form?
and
6. If the ICC were to adopt similar requirements, do you believe the proposed definitions of the Texas PUC are a workable starting point for definitions applicable to the Illinois market?
and
- III Section 16-115A(e) of the PUA...Section 505/2EE of the Consumer Fraud and Deceptive Business Practices Act...

Various Parties

Suggestions that the use of a Hybrid Texas Model might be an acceptable method or starting point.

Dominion Retail - As stated in our original comments, we do not agree with additional disclosure other than the contract terms and conditions. Additional disclosure is not required if the terms and conditions are somewhat standardized for the residential offers. If the Commission still feels this somewhat duplicative form is required, it should be designed as simply as possible. Commercial customers do not need additional disclosure. Commercial offers are more tailored and in general commercial customers are more sophisticated and require less “hand holding”.

In its consideration of rules adopted by the Texas PUC, the ICC should be mindful that the electric choice marketplace in that jurisdiction is materially different because of the unique relationship between supplier and customer in that state. That is, unlike in most states, including Illinois, in Texas the supplier administers customer billing of both supplier and utility charges. Customer disclosure information and other communications by Texas suppliers to their customers must, by necessity, be more comprehensive and detailed than in Illinois and elsewhere where the supplier is not the billing entity.

The Texas market, the REPs and their customers do not have the same operational or choice environment as Illinois. To try and institute such detailed requirements would be overwhelming for the customers new to choice and create a disincentive to switch.

- IV 3. Aside from the existing reporting requirements, is there any other type of periodic report that you believe would be beneficial in a competitive retail electricity market?

If so, please indicate the Commission's authority to require such a report.

Citizens Utility Board

Public disclosure of complaints and complaint numbers by ARES on a monthly basis, as this would help to create transparency and provide early notification to other market participants, consumer advocates, utilities and the Commission of any issues that may arise.

Dominion Retail is not opposed to this concept provided that RESs are not required to include as "complaint" contacts those customer contacts seeking information, explanations or general answers to questions. Without that clarification, this data would send the wrong signal to potential and existing customers as well as regulatory and judicial parties. Formal ICC complaint resolution could possibly be utilized. Complaints by sheer numbers also needs to be addressed as that too can misguide those not knowing how many customers may have been contacted or enrolled. This is another topic that can be addressed through a collaborative effort.